

# Business Marketing

## Face to Face

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### The Theory and Practice of B2B Marketing

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Design and setting by P.K. McBride

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# Organisational Buying Behaviour

## Overview

This chapter introduces traditional views about organisational buying behaviour, before progressing to consider the importance of relationships and the contribution that systems and technology have made to this aspect of business marketing.

The chapter starts with a comparison of the main characteristics associated with both consumer and organisational purchasing behaviour. Then, following an examination of the decision making unit and the decision making processes generally assumed to be adopted by organisations, the focus moves to reflect upon the different influences that can impact on an organisation's purchasing activities.

The last section looks at the nature of uncertainty and the way in which organisations attempt to reduce buyer-perceived risk. It ends by examining how relationships between buyers and sellers can evolve and affect the purchasing behaviour of organisations.

## Aims and objectives

The aim of the chapter is to examine the behaviour, characteristics and processes that organisations use to purchase products and services.

### **The objectives of this chapter are to:**

- 1** Compare the characteristics of organisational and consumer buying behaviour.
- 2** Explore the membership and main characteristics of the decision making unit.
- 3** Explain organisational decision making processes.
- 4** Consider the influences on organisational buyer behaviour.
- 5** Determine and reflect upon the nature of risk and uncertainty in B2B markets.
- 6** Consider some of the issues concerning the use of technology within eProcurement.

## A Slice of Life – Consulting with Consultancies

The trap that many internal marketing departments fall into is that of ‘familiarity’. They have a ‘proven’ list of to-dos based on last year’s list of to-dos and unless there is some form of intervention, that’s what they’re going to deliver. Again. They repeat the same mistakes from the previous year(s) either because they are incapable of learning from their mistakes, or, more likely, because they have no alternative benchmark from which to learn and no available resource with which to explore new opportunities. At that point the enterprise will buy-in external expertise to provide the required products and services. The process for engaging those external services, however, varies considerably – from, “I need help with my brand strategy, I’ll call Scot...” to, “I need help with my brand strategy, Scot will be one of a dozen agencies that will be asked to respond to a 300-page Request for Proposal developed, issued and evaluated by the Enterprise Procurement Team.”

Sellers always want to sell fast. The spectrum of buying behaviour is therefore limited only by the capacity for procrastination of the buying organisation. We can call it something else if you like – best practice, due diligence, risk mitigation, creative appetite – but if you really want to buy something, there is a product (and/or service) and a price. That’s it. And yet for every successful ‘trade’, there are any number of trade failures for both buyer and seller.

I was somewhat surprised to receive a phone call from the marketing department of a very large, global, management consultancy one day. The caller’s Marketing Director had heard me speak at a conference and had been sufficiently impressed to have ‘his people talk to my people...’ We arranged a meeting to explore how I might provide creative services to the company.

In conversation, the client explained that the management consultancy had an internal marketing team of over 350 people – in the UK alone. I nearly fell off my chair. “Three HUNDRED and fifty? What on earth do you need me for then?”

It transpired that while there was any number of ‘worker ants’ delivering the various components of marketing services, no one within the organisation really thought about the creative development of the brand. Or rather, such strategic thinking was reserved for the senior partners within the consultancy – and they had better things to do. So they wanted some creative help. They didn’t call it that of course, because this organisation could never be seen to need ‘help’. But that’s what they were looking for and they’d asked me to challenge their thinking creatively and deliver concepts that would excite their market place.

So that’s what we did – challenge. Not without due consideration for the brand or its audiences of course, but there seemed little point in submitting